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April 15, 1999

VIA United States Mail
Ms. Magalie Roman-Salas
Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, DC 20554

RECEIVED

APR 26 1999

FCC MAIL ROOM

Re: Bell Atlantic/GTE Merger, CC Docket No. 98-184

Enclosed please find three copies of GST Telecom Inc.'s written ex parte presentation in the above-captioned matter.

Please date stamp and return the additional third copy in the self-addressed stamped envelope. Should you have any questions concerning this filing, please direct them to the undersigned at 360-356-7104.

Sincerely,

Barry Pineles
Regulatory Counsel for GST Telecom Inc.

Enclosures

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Honorable William Kennard
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Bell Atlantic/GTE Merger, CC Docket No. 98-184

On November 23, 1998, GST Telecom Inc. ("GST") filed comments in opposition to the proposed merger of Bell Atlantic Corporation ("BA") with GTE Corporation ("GTE"). Since GST is major competitor of GTE in two markets -- California and Hawaii, GST's experience with GTE would assist the Commission in determining whether the merger was in the public interest. GST pointed out that GTE has failed to live up to its regulatory and contractual obligations to open its markets. In particular, GST noted continual problems with GTE's ability to process interconnection orders and provide accurate and timely testing and porting of numbers for GST customers. These failures to comply with FCC rules constituted sufficient cause to reject the application for transfer of control. Alternatively, GST requested that the FCC impose stringent conditions on the merger to ensure that interconnection problems do not arise or, if they do, that they are resolved expeditiously.

On February 23, 1999, GST raised these same points in an ex parte oral presentation with the Deputy Chief of the Common Carrier Bureau, Robert Atkinson. A day later, GST met with the Common Carrier Bureau staff to discuss the GTE merger and, in particular, GST's continual problems with number portability and testing NXX loadings. In response, the staff requested that GST provide it with proposed conditions that would alleviate GST's concerns. This letter is written in response to that request, encloses proposed conditions, and will be transmitted to the Common Carrier Bureau staff. In addition, GST requests that the FCC undertake the same procedure with respect to the BA/GTE merger that it recently announced to address the SBC Communications, Inc./Ameritech Corporation merger.¹

Since filing its opposition to the BA/GTE merger, GST continues to experience substantial difficulties in obtaining efficient interconnection in GTE's service territory. GTE still fails to properly route local and intraLATA toll calls by interconnecting competitive carriers according to the Local Exchange Routing Guide. Switch translations are not performed on a

¹ Letter from William Kennard to Richard Notebaert and Edward Whitacre (Rel. Apr. 1, 1999).

timely enough basis to enable GST to meet commitments made to customers concerning the cutover of service. GST also routinely uncovers errors made by GTE in fulfilling local service requests concerning local number portability further delaying the time when GST can provide service to its new customers. As the carrier losing business, GTE has an economic incentive to delay and obstruct the continued development of local competition. Given these continued problems, GST believes that the proposed transfer of control cannot occur absent the imposition of stringent conditions to rectify this situation. GST has prepared conditions which are attached to this letter.

GST does not believe that the informal dialogue with Commission staff concerning the merger's impact on competitors and mechanisms to lessen those adverse impact will ensure that the merger maximizes competition and benefits users of telecommunications services. GST recommends that the Commission commence, on a cooperative basis with BA, GTE, and interested public participants, the development of merger conditions that address public interest concerns, including but not limited to: 1) assurances that the combined entity will fully open their markets to local competition in accordance with the Communications Act; and 2) assurances that the merger will encourage competition in all telecommunications markets. Given the recent request of BA and GTE to delay further consideration of certain aspects of the merger,² GST does not believe that the process requested herein will unduly delay Commission consideration of the merger. Should the Commission decide to undertake this effort, GST certainly would participate fully.

Sincerely,



Barry Pineles
Regulatory Counsel
GST Telecom Inc.

cc: Commissioner Susan Ness
Commissioner Harold Furchtgott-Roth
Commissioner Michael Powell
Commissioner Gloria Tristani
Robert Atkinson, Deputy Chief Common Carrier Bureau
Michele Carey, Common Carrier Bureau

Enclosure

² Letter from Steven Bradbury and Michael Glover to Thomas Krattenmaker (Filed April 8, 1999).

CONDITIONS

As a condition of the grant authorized herein, Bell Atlantic and GTE shall comply with the following conditions with respect to any local exchange carrier that is not considered an "incumbent local exchange carrier" as that term is defined in section 251(h)(1) of the Communications Act of 1934, as amended, for the service territory of Bell Atlantic and GTE:

Call Routing and Switch Translation:

1. Bell Atlantic/GTE shall perform the following actions with respect to the routing of local exchange or intraLATA toll calls or both by interconnecting carriers:

a. Bell Atlantic/GTE shall comply with all requests by interconnecting carriers to route calls according to the information contained in the Local Exchange Routing Guide ("LERG") no later than 21 calendar days prior to the effective date of any new or modified NPA-NXX information submitted by a local exchange carrier to the administrator of the LERG. All necessary switch translations and testing of primary, secondary, and final call routing and trunk testing must be performed by Bell Atlantic/GTE to meet this standard on or before the effective date of any new or modified NPA-NXX routing information initiated by a local exchange carrier and stated in the LERG.

b. Bell Atlantic/GTE shall promptly and cooperatively work to investigate and resolve any trouble condition pertaining to call routing or blocking whether incurred by its own customer or that of another local exchange carrier irrespective of Bell Atlantic/GTE's normal business hours, i.e., a 24 hour, seven day a week basis ("24x7").

c. Bell Atlantic/GTE's establishment of a new trunk group between Bell Atlantic/GTE end office and another local exchange carrier's switch shall require cooperative testing between Bell Atlantic/GTE and another local exchange carrier in order to verify that all of the local exchange carrier's NPA-NXXs are properly routing to the primary high group first. Testing shall be done no later than two days prior to turn-up of a new trunk group. Bell Atlantic/GTE shall affirmatively notify, in writing, the interconnecting local exchange carrier that traffic is routing properly and efficiently after the results of all translation work and facility testing has been completed.

d. Any overflow of traffic with any final trunk group shall be routed to a Bell Atlantic/GTE tandem.

e. In accordance with subparagraph 1(a), Bell Atlantic/GTE shall file on a monthly basis a report of:

- i. the total number of switch translation updates that have been correctly performed for local exchange carriers other than Bell Atlantic/GTE;

ii. the mean time between the date of a LERG submission by a local exchange carrier and the date on which all relevant Bell Atlantic/GTE switches have been updated.

f. In accordance with subparagraph 1(c), Bell Atlantic/GTE shall file on a monthly basis a report of:

i. the number of end office trunks established with local exchange carriers other than itself;

ii. the number of correct tests performed at least two days in advance of NPA-NXXs for new trunk groups of local exchange carriers;

iii. the number of times in which the two-day test in subparagraph 1(f)(i) was not met;

iv. the number of written notifications provided to local exchange carriers which verify the results of the testing in subparagraph 1(c).

g. Bell Atlantic/GTE shall be subject to monetary penalty of \$100,000 dollars pursuant to section 503 of the Communications Act of 1934, as amended, in any month for which it fails to meet the standard in subparagraphs 1 (a) and 1(c) 97.5 percent of the time.

Local Number Portability

2. Bell Atlantic/GTE shall perform the following actions with respect to the provision of Local Number Portability ("LNP") to local exchange carriers:

a. Bell Atlantic/GTE shall provide a Local Service Confirmation ("LSC") message indicator within 24 hours for 95 percent of the validly and correctly LNP Local Service Requests ("LSRs") submitted by local exchange carriers. The message indicator shall provide acknowledgment that a local exchange carrier's LSR has been accepted, the date and exact time that the LSR will be fulfilled, and special requirements needed to fulfill a valid LNP LSR.

b. Bell Atlantic/GTE shall provide a LSC message indicator no later than 72 hours in advance of the effective date and time requested on a LSR for 100 percent of the LNP LSRs submitted by a local exchange carrier.

c. Bell Atlantic shall fulfill 99 percent of the all valid LNP orders submitted by local exchange carriers on the date and time specified by the local exchange carrier submitting the order.

d. Bell Atlantic/GTE shall take all reasonable and responsible measures to provide advance jeopardy notification to local exchange carriers no later than 4 hours in advance of the effective date and time of any scheduled telephone number porting event for simple orders; provided however, that Bell Atlantic/GTE shall not provide a jeopardy notification subsequent to a number porting event described in this subparagraph.

e. Bell Atlantic/GTE shall take all reasonable and responsible measures to provide advance jeopardy notification to local exchange carriers, other than ILECs, no later than 24 hours in advance of the effective date and time of any scheduled telephone number porting event not defined as a simple order pursuant to subparagraph 2(c); provided however, that Bell Atlantic/GTE shall not provide a jeopardy notification subsequent to a number porting event described in this subparagraph.

f. Bell Atlantic/GTE shall provide electronic notice which shall include a written description or identification, of any LSR errors identified by Bell Atlantic/GTE for 99 percent of the LNP LSRs submitted by a local exchange carrier. All notifications (100 percent) required to be submitted to a local exchange carrier pursuant to this subparagraph shall be provided within 24 hours of the time of the submission, as that time is recorded by the carrier submitting the LNP LSR; provided however, that the 24 hour period can be based on the time recorded by Bell Atlantic/GTE if it provides instantaneous notification and receipt to the local exchange carrier that a LSR LNP has been submitted.

g. Bell Atlantic/GTE shall complete all LNP LSRs submitted in accordance with subparagraph 2(a) and shall not reject, return, or stop processing LNP LSRs which contain errors in conditional or optional fields.

h. Bell Atlantic/GTE shall return a LSC in accordance with subparagraphs 2(a)-(b) for any local exchange carrier which requests a coordinated hot cut ("CHC"). The LSC must provide affirmative verification, either in writing or electronically, that the CHC has been confirmed by Bell Atlantic/GTE.

Directory Listings:

3. Bell Atlantic/GTE shall establish and make available to any local exchange carrier the following:

a. Clear and complete processes and procedures for inclusion of local exchange carrier white and yellow page listings in Bell Atlantic/GTE telephone directories.

b. Clear and complete processes and procedures for inclusion of local exchange carrier customer listing information in the databases and systems used by Bell Atlantic/GTE in the provision of directory assistance.

4. Bell Atlantic/GTE shall assign personnel with knowledge of the procedures and processes specified in subparagraphs 3(a)-(b) to assist local exchange carriers in resolving questions or disputes concerning Bell Atlantic/GTE's directory assistance listings.

Provision of DSL Service to Interconnecting Carriers:

5. Bell Atlantic/GTE shall adopt the following pricing regime for the provision of Digital Subscriber Line ("DSL") services to any local exchange carrier, its affiliates, or subsidiaries:

a. Unbundled loops conditioned for the provision DSL services at total elemental long run incremental cost of that element.

b. Charges for the conditioning of loops shall be identical to the charges for conditioning that Bell Atlantic/GTE imposes on its end-user customers, including but not limited to Bell Atlantic/GTE subsidiaries that provide Internet access to retail customers; provided however, that any recurring charge or non-recurring charge for conditioning of loops together with the charges for the unbundled loop may not exceed the wholesale price of the loops as the term "wholesale" is defined in 47 C.F.R. §§ 51.607-.09 as that rule existed on August 29, 1996.

LSR Order Completion Other than Call Routing, Switch Translations, and LNP:

6. Bell Atlantic/GTE shall:

a. Complete LSRs submitted by local exchange carriers at the date and time requested by the local exchange carrier for all LSRs not addressed in paragraphs (1) and (2) of these conditions.

b. Inform the local exchange carrier at least 72 hours before the date and time requested for completion of the LSR, in writing, by overnight delivery and via electronic mail, the specific reasons that the time and date specified in the LSR will not be met.

c. Specify the earliest date when facilities are available to complete the LSR if the reason for not meeting the deadline specified in subparagraph 5(a) was due to the lack of available facilities. Facilities must be made available to complete the LSR in the same amount of time that Bell Atlantic/GTE provisions the same or similar facilities to itself, subsidiaries, affiliates, and assigns.

d. File monthly reports (stamped confidential and proprietary and not subject to release to anyone other than the FCC staff absent a court order directing the release of said

reports) specifying when a LSR covered by subparagraph 6(a) was made, the carrier that made the request, and when it was completed.

e. Bell Atlantic/GTE shall be subject to monetary penalty of \$100,000 dollars pursuant to section 503 of the Communications Act of 1934, as amended, in any month for which it fails to meet the standard of subparagraph 6(a) 97.5 percent of the time.